



ACQUISITION,
TECHNOLOGY
AND LOGISTICS

PRINCIPAL DEPUTY UNDER SECRETARY OF DEFENSE

3015 DEFENSE PENTAGON
WASHINGTON, DC 20301-3015

JUN 21 2001

MEMORANDUM FOR COMPONENT ACQUISITION EXECUTIVES
ACTING DEPUTY UNDER SECRETARY OF DEFENSE
(ACQUISITION REFORM)
DEPUTY UNDER SECRETARY OF DEFENSE
(LOGISTICS, MATERIEL READINESS)
DIRECTOR, ACQUISITION RESOURCES AND ANALYSIS
DIRECTOR, DEFENSE LOGISTICS AGENCY
DIRECTOR, DEFENSE CONTRACT MANAGEMENT
AGENCY
DIRECTOR, DEFENSE CONTRACT AUDIT AGENCY
DIRECTOR, DEFENSE PROCUREMENT

SUBJECT: Revisions to Department of Defense (DoD) Packaging Standards,
Regulations and Guidance

Progress to the Department's Packaging practices has been made, yet there is greater potential for further reforms to military unique packaging practices. The draft changes, as addressed in the attachment, have been made to reinforce the Department's policy of reducing costs, eliminating barriers to doing business with the Department and to enable making common sense decisions about the applicability of military packaging requirements.

I appreciate the comments received in response to my December 29, 2000 memorandum which requested comments on changes to MIL-STD-2073. In accordance with the recommendations, I direct the following:

Acting Deputy Under Secretary Of Defense (Acquisition Reform), assisted by Director, Defense Procurement, shall develop a Defense Federal Acquisition Regulation Supplement case to ensure contracts are structured to default to commercial packaging practices.

DUSD(Logistics, Materiel Readiness) (DUSD(L,MR)) and ADUSD(Logistics Plans & Programs) (LP&P), assisted by DUSD(AR), shall coordinate changes to MIL-STD-2073, DoD Standard Practice for Military Packaging, that will further clarify that the default packaging practice is commercial. The changes should be implemented through the Defense Standards Improvement Council (DSIC) and managed by your office. Additionally, you shall coordinate changes to the DoD 4140.1-R, DoD Materiel Management Regulation to ensure that only military packaging requirements are



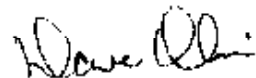
appropriately referred to MIL-STD-2073.

Director, Acquisition Resources and Analysis, assisted by DUSD(AR), shall coordinate changes into the DoD 5000 policy series to ensure packaging requirements are programmatically addressed.

After implementation of the changes directed in this document and the supporting offices, the components shall develop new supporting guidance implementing the changes directed above.

The changes, as highlighted in Attachment 1, will significantly reduce the roles played by Service and component organizations that specialize in packaging requirements development, training and certification. A list of packaging related organizations are listed Attachment 2.

These modifications are important and will require you to dedicate the resources necessary to expedite the revisions. My point of contact for this initiative in ODUSD(Acquisition Reform) is Craig Curtis, (703) 697-6399



Dave Otter

Attachment:
As Stated

cc:
General Counsel Of The Department Of Defense
Defense Acquisition Policy Steering Group
Defense Acquisition Policy Working Group.

MIL-STD-2073 1E

FOREWORD

1. It is the policy of the Department of Defense (DoD) to use commercial packaging practices for all items unless it is shown that commercial packaging practices cannot provide adequate protection and preservation (DoD 4140.1-R, C5.1.1.2). MIL STD 2073-1 is to be required only when commercial packaging cannot meet known distribution and environmental requirements. Details and decision logic for the use of this standard are described in 1.1, 1.2, figure 1, and 4.1.

2. This military standard is approved for use by all Departments and Agencies of the Department of Defense.

3. Beneficial comments (recommendations, additions, deletions) and any pertinent data which may be of use in improving this document should be addressed to: Commander, Naval Air Warfare Center Aircraft Division, Highway 547, Code 4.3.53, Building 562-3, Lakehurst, New Jersey 08733-5049, by using the Standardization Document Improvement Proposal (DD Form 1426) appearing at the end of this document or by letter.

1. SCOPE

1.1 Purpose. This document outlines standard processes for the development and documentation of military packaging, as distinct from commercial packaging. This standard covers methods of preservation to protect materiel against environmentally induced corrosion and deterioration, physical and mechanical damage, and other forms of degradation during storage, multiple handling, and shipment of materiel in situations in which commercial packaging is inadequate or too costly. A decision chart is included for determining the applicability of commercial or military packaging standard practices and for further developing the level of military packaging requirements (see figure 1).

1.2 Application.

1.2.1 Applicability. The requirements of this standard apply to items for which commercial packaging will not meet operational demands. These may include but not be limited to:

- a. Items which documented analysis has shown cannot be protected and preserved in a cost-effective manner using commercial packaging
- b. Items delivered during wartime for deployment with or sustainment to operational units
- c. Items requiring reusable containers
- d. Items intended for delivery-at-sea

1.2.2 Non-applicability. Items not requiring further transport or extended storage to meet future demand and inherently commercial items are to be packaged in accordance with commercial practice. This includes, but is not limited to, the following:

- a. Items intended for immediate use
- b. Items for not-mission-capable supply

c. Items intended for depot operational consumption

d. Small parcel shipments (CONUS), not for-stock

e. Direct vendor deliveries (CONUS)

f. Items that were procured under FAR Part 12 practices without any waivers that would require compliance with Mil-Std-2073 packaging.

1.2.3 Applicability Determinations. Further guidance on the criteria for determining applicability of the standard is in depicted in figure 1 and discussed in paragraph 4.1.

4. GENERAL MILITARY PACKAGING REQUIREMENTS

4.1 General. Applicability of the standard shall be determined using the criteria of paragraph 4.1.1. Military packaging requirements shall be developed using the figure 1 decision chart in accordance with the requirements of this section, Section 5 and all Appendices herein. The developed military packaging requirements shall be documented in accordance with Appendix E and as specified on the Contract Data Requirements List (CDRL) (see 6.3). These requirements are generally defined by a twelve digit position-sensitive code system, as illustrated in figure A.1. Appropriate codes are drawn from those listed in Appendix J. When an item has been determined to be in the special group category, a Special Packaging Instruction shall be required, prepared in accordance with Appendix E and as specified on the CDRL (see 6.3).

4.1.1 Criteria for Determining Applicability. In conducting the analysis to determine the applicability of either commercial or military packaging, the decision will be guided by policy outlined in DoD 4140-1R, C.1.1.4: "Packaging shall be based upon the nature of the item, known logistics requirements, and economic or normal consumer quantities." Additionally, the Defense Federal Acquisition Regulation Supplement (DFARS) 211.272 and 252.211-7004 must also be used to determine the applicability of either commercial or military packaging processes.

- a. The nature of items shall be characterized to identify properties to be considered in evaluating the suitability of commercial packaging. Commercial packaging practices that adequately accommodate these properties shall be deemed acceptable. Paragraphs 4.1.1 b and 4.1.1.c shall be used to further assess the suitability of commercial packaging in making that determination.
- b. Judgment on "known logistics requirements" shall be based on the location of the ultimate user and storage and preservation requirements. The government is responsible for clearly communicating these requirements, in advance of each contract award or order, to the contractor to ensure effective and efficient packaging. Commercial practices for extending storage life and providing environmental protection shall be considered in addition

to federal and military specifications. Items requiring Military Level A protection (DOD 4140.2-R Appendix 10) will use military packaging or packaging appropriate to Distribution Cycle 18, ASTM D 4169.

- c. Economic or normal consumer quantities as specified in advance of each contract award or order, shall be used to determine whether it is cost effective to ship all items of a particular class commercially to a government distribution depot where only those requiring special military packaging would be repackaged and shipped to field users as needed, or to require special packaging and separate shipment of such items under the contract or order.

4.1.2 Performance Requirements for Commercial Packaging.
In the absence of specific contract or order requirements, commercial packaging shall provide protection and preservation for the safe delivery of the item to the shipping destination and for storage at destination for a minimum of one year in enclosed facilities. Extraordinary preservation requirements shall be specified in advance of each contract award or order. Safe delivery shall be deemed to mean no damage to the contents of the package. Damage to the packaging is permissible provided that the integrity of the package remains sufficient to provide adequate item protection, and permit safe handling and storage at destination.

C5. CHAPTER 5
MATERIEL DISTRIBUTION

C5.1. PACKAGING

C5.1.1. Policy

C5.1.1.1. All the DoD Components shall preserve, package and mark materiel for storage and movement in a way that provides adequate and quality protection, at the most economic cost, until ultimate consumption by the user.

C5.1.1.2. The DoD Components shall use commercial packaging when it is cost effective and will withstand anticipated logistics conditions.

C5.1.1.3. The DoD Components shall specify packaging requirements to prevent needless repackaging and/or upgrading of packaging.

C5.1.1.4. Packaging shall be based upon the nature of the item, known logistics requirements, and economic or normal consumer order quantities.

C5.1.1.5. DoD packaging specifications should be continuously improved based on reviews of materiel order and issue quantities, cost of the item itself versus the cost to package, hazardous materiel packaging requirements, preservation and marking, storing and transporting the item, and its criticality to the end-user's weapons system or mission.

C5.1.1.6. The DoD Components shall incorporate environmental pollution prevention measures into packaging standards, specifications, and other instructions and processes. The design and selection of packaging materials shall include consideration of disposability, reuse, biodegradability (when it meets logistics needs), recycling, and conservation.

C5.1.1.7. The DoD Components shall develop, document, apply, and issue packaging requirements, in their assigned areas, for DoD-wide application. These shall include both commercial and, if those are inadequate, military requirements.

C5.1.1.8. The DoD Components shall develop and apply uniform marking requirements to facilitate safe handling and efficient receipt, storage, and shipment of materiel.

C5.1.1.9. Hazardous materials shall be packaged and marked, in accordance with applicable Federal and International regulations.

C5.1.1.10. The DoD Components shall ensure that reusable containers are effectively used in applications where materiel is routinely returned for rebuilding or servicing

C5.1.2. Procedures

C5.1.2.1. The DoD Components shall package materiel to provide adequate and quality protection at a fair and reasonable cost and to ensure efficient and cost effective handling. The DoD Components shall use packaging designed to accommodate unitized loading and handling when it results in overall economy.

C5.1.2.2. The nature of the materiel, the anticipated logistics environment (e.g., shipping, handling, transportation, length, and type of storage) it will encounter, and consideration of the consequences of the receipt of damaged materiel shall determine the type and extent of protection required.

C5.1.2.3. The DoD Components shall use common definitions for the levels of protection used for materiel. Those levels are explained in Appendix 10.

C5.1.2.4. The DoD Components shall use commercial packaging unless it is shown that such packaging is not cost-effective and the technical details of the package construction and test performance show that the package will not withstand the logistics conditions.

C5.1.2.5. In the absence of specific contract requirements, commercial packaging shall provide protection and preservation for the safe delivery of the item to the shipping destination and for storage at destination for a minimum of one year in enclosed facilities. Extraordinary preservation requirements shall be contractually specified, in advance of each contract award. Safe delivery shall be deemed to mean no damage to the contents of the package. Damage to the packaging is permissible provided that the integrity of the package remains sufficient to permit reasonable handling and storage at destination.

C5.1.2.6. MIL STD-2073 is to be required only when adequate, cost effective commercial packaging for procured items is not available.

C5.1.2.7. In lieu of commercial packaging, a contractor may provide MIL-STD-2073-1 levels of packaging, at the contractor's option, at no additional cost to the government.

C5.1.2.8. For any item bought under FAR Part 12 practices, the government shall not require military packaging specifications for any items without first obtaining Head of Contracting Activity (HCA) approval.

C5.1.2.9. Packaging specifications, standards, and operations shall comply with all safety requirements specified in DoD Instruction 6055.1 and 49 CFR 173 (references (kk) and (ll)).

C5.1.2.10. The DoD Components shall incorporate environmental pollution prevention measures, consistent with DoD Directives 6050.1 and 4715.1, DoD Instruction 4715.6, and Sections 1901 through 1915 of U.S.C. 33 (references (mm), (nn), (oo), and (pp)), into packaging standards, specifications, and other instructions and processes. The selection of packaging materials shall include consideration of disposability, reuse, degradability (when it meets logistics needs), recycling, and conservation.

C5.1.2.11. The DoD Components shall reuse packaging, materials, and containers to the maximum extent practical. DoD activities shall ensure reuse by establishing DoD Component procedures for container and material reclamation. The DoD Components shall also consider reduced packaging and the use of non-plastic packaging.

C5.1.2.12. The DoD Components shall, by means of the Defense Packaging Policy Group (see Appendix 11), coordinate and establish major efforts to improve packaging policies, procedures, engineering, and training to facilitate standardization and prevent duplication.

C5.1.2.13. The DoD Components shall specify packaging requirements in acquisition documents to prevent needless repackaging and upgrading of packaging at the receiving activity. DoD procuring activities shall ensure that the

packaging requirements specified are cost effective and adequately protect the item.

C5.1.2.14. The DoD Components shall determine the quantity for each unit package for all materiel based upon the nature of the item, known logistics requirements, and normal usage factors. Commercial distribution or over-the-counter retail package quantities shall be used when they are cost-effective and otherwise satisfy military distribution requirements.

C5.1.2.15. The DoD Components shall use EDI to transmit and make their packaging data requirements readily available to authorized users.

C5.1.2.16. To promote packaging uniformity between the Department of Defense and industry, the DoD Components shall circulate proposed packaging specifications and standards for comment to a representative cross section of the affected segments of industry. Those include industrial associations, National standardization organizations, producer, manufacturers, and user societies. The DoD Components shall consider recommendations for using readily available materials and processes when they satisfy the needs of the Department of Defense.

C5.1.2.17. The DoD Components shall record and report shipments received with packaging inadequacies and discrepancies, in accordance with the provisions outlined in the DLAR 4140.55/AR 735-11-2/SECNAVINST 4355.18/AFTMAN 23-215 (reference (qq)).

C5.1.2.18. When developing acquisition documents, the DoD Components shall specify the packaging requirements that reflect the potential distribution needs for the life cycle of the items being procured. The nature of the item shall determine the type and extent of the protection required during item development, use, consumption, and disposal.

C5.1.2.19. The DoD Components shall develop and maintain packaging standards, specifications, and similar documents, in accordance with DoD 4120.3-M and DoD 5000.2-R (references (ee) and (d)). Reference (ee) establishes a 5-year review and validation period for military standardization documents. Under that program, packaging specification reviews shall concentrate on validating materiel cost-effectiveness, identifying and eliminating redundancies in packaging

specifications, and incorporating changes that have occurred in the state-of-the-art of packaging.

C5.1.2.20. Each DoD Component shall develop procedures to measure and document packaging savings and cost-avoidance actions.

C5.1.2.21. The Defense Packaging Policy Group (Charter at Appendix 11) is responsible for recommending revisions to the packaging policy and procedures in this Regulation to the DUSD(L).

C5.1.2.22. The Heads of the DoD Components shall comply with those uniform procedures and policies. The DoD Components may supplement the packaging policy in this Regulation to address unique situations, but shall not issue separate policy on the subject. The DoD Components shall request clarification and/or changes through the DUSD(L).

DODD 5000.1, October 23, 2000

4.2.3. Use of Commercial Products, Services, and Technologies. In response to user requirements, priority consideration shall always be given to the most cost-effective solution over the system's life cycle. In general, decision-makers, users, and program managers shall first consider the procurement of commercially available products, services, and technologies, or the development of dual-use technologies, to satisfy user requirements, and shall work together to modify requirements, whenever feasible, to facilitate such procurements. This includes requirements for hardware, software, interoperability, data interchange, packaging, transport, delivery, and automatic test systems. Market research and analysis shall be conducted to determine the availability, suitability, operational supportability, interoperability, and ease of integration of existing commercial technologies and products and of non-developmental items prior to the commencement of a development effort.

4.2.4. Performance-Based Acquisition. In order to maximize competition, innovation, and interoperability, and to enable greater flexibility in capitalizing on commercial technologies to reduce costs, performance-based strategies for the acquisition of products and services shall be considered and used whenever practical. This includes requirements for hardware, software, interoperability, data interchange, packaging, transport, delivery, and automatic test systems. For products, this includes all new procurements and major modifications and upgrades, as well as the reprourement of systems, subsystems, and spares that are procured beyond the initial production contract award. When using performance-based strategies, contractual requirements shall be stated in performance terms, limiting the use of military specifications and standards to Government-unique requirements only. Configuration management decisions shall be based on factors that best support implementation of performance-based strategies throughout the product life cycle.

DODD 5000.2, October 23, 2000

4.7.3.2.3. Milestone B. Milestone B is normally the initiation of an acquisition program. The purpose of Milestone B is to authorize entry into System Development and Demonstration.

4.7.3.2.3.1. Milestone Approval Considerations

4.7.3.2.3.1.1. Prior to approving entry into System Development and Demonstration at Milestone B, the MDA shall consider the validated ORD, System Threat Assessment, program protection, independent technology assessment and any technology issues identified by DoD research facilities, any early operational assessments or test and evaluation results, analysis of alternatives including compliance with the Department of Defense's strategic plan (based on the Government Performance and Results Act (GPRA), reference (t)), the independent cost estimate or, for MAISS, component cost analysis and the economic analysis, manpower estimate (if applicable), whether an application for frequency allocation has been made (if the system will require utilization of the electromagnetic spectrum), system affordability and funding, the proposed acquisition strategy including adherence to performance-based principles, avoidance of military specifications and standards, openness to commercial items, acceptance of commercial packaging practices and single process initiatives, cooperative opportunities, and infrastructure and operational support.

4.7.3.2.3.1.2. At Milestone B the MDA shall confirm the acquisition strategy approved prior to release of the final Request for Proposal and approve the development acquisition program baseline, low-rate initial production quantities (where applicable), and System Development and Demonstration exit criteria (and exit criteria for interim progress review, if necessary). For shipbuilding programs, the lead ship engineering development model shall be authorized at Milestone B. Critical systems for the lead and follow ships shall be demonstrated given the level of technology maturity and the associated risk prior to ship installation. Follow ships may be initially authorized at Milestone B, to preserve the production base, with final authorization dependent on completion of critical systems demonstration, as directed by the MDA.

4.7.3.2.3.1.3. The DOT&E and the cognizant

Overarching Integrated Product Team leader shall approve the Test and Evaluation Master Plan (TEMP) (including the LFT&E strategy, if applicable) for all OSD test and evaluation oversight programs. If full-up, system-level LFT&E is unreasonably expensive and impractical, a waiver shall be approved by the USD(AT&L), for programs where he or she is the MDA, or by the CAE, for programs where he or she is the MDA, and an alternative LFT&E plan shall be approved by the DOT&E before entry into System Development and Demonstration (reference (u)).

4.7.3.2.3.1.4. For MDAPs, a Milestone B decision shall be the occasion for submission of a revised Selected Acquisition Report (DoD 5000.2-R, reference (h)). All new IT acquisition programs (regardless of ACAT) shall be registered with the DoD Chief Information Officer (CIO) before Milestone B approval. IT intended for use by non-military users shall be accessible to people with disabilities (reference (v)).

4.7.3.2.3.1.5. The tables in enclosure 3 identify the statutory and regulatory requirements that must be met at this milestone. Note that these cannot be deferred to a follow-on interim progress review or future milestone.

4.7.3.3.3. Milestone C. The purpose of this milestone is to authorize entry into low-rate initial production (for MDAPs and major systems), into production or procurement (for non-major systems that do not require low-rate production) or into limited deployment for MAIS or software-intensive systems with no production components.

4.7.3.3.3.1. Milestone Approval Considerations

4.7.3.3.3.1.1. Prior to making the milestone decision, the MDA shall consider the independent cost estimate, and, for MAISs, the component cost analysis and economic analysis, the manpower estimate, compliance with the CCA (reference (m)), whether an application for frequency allocation has been approved (for systems that require utilization of the electromagnetic spectrum), System Threat Assessment, the program protection for Critical Program Information including anti-tamper recommendations, the DDH, an established completion schedule for National Environmental Policy Act (NEPA) (reference (aa)) compliance covering testing, training, basing, and operational support, the proposed acquisition strategy including adherence to performance-based principles, avoidance of military specifications and standards, openness to commercial items, acceptance of commercial packaging practices and single process

initiatives, cooperative opportunities, and infrastructure and operational support.

4.7.3.3.3.1.2. At this milestone, the MDA shall confirm the acquisition strategy approved prior to the release of the final Request for Proposal and approve an updated development acquisition program baseline, exit criteria for low-rate initial production (LRIP) (if needed) or limited deployment, and the acquisition decision memorandum.

4.7.3.3.3.1.3. The DOT&E and cognizant OIPT Leader shall approve the TEMP for all OSD test and evaluation oversight programs. For MDAPs, a milestone decision shall be the occasion for submission of a revised Selected Acquisition Report (reference (c)).

4.7.3.3.3.1.4. A favorable Milestone C Decision authorizes the PM to commence LRIP or limited deployment for MDAPs and major systems. The PM is only authorized to commence full-rate production with further approval of the MDA. There shall be normally no more than one decision (i.e., either low-rate or full-rate) at the Defense Acquisition Executive (DAE) level for MDAPs.

4.7.3.3.3.1.5. The tables at enclosure 3 identify the statutory and regulatory requirements that must be met at this decision point.

DoD 5000.2-R

5.3.2 Performance Specifications

The Department shall use performance specifications (i.e., DoD performance specifications, commercial item descriptions, and performance-based non-government standards) when purchasing new systems, major modifications, upgrades to current systems, and commercial and non-developmental items for programs in all acquisition categories. This includes requirements for hardware, software, interoperability, data interchange, packaging, transport, delivery, and automatic test systems. The Department shall emphasize conversion to performance specifications for repro procurements of existing systems at the subsystems level; and for components, spares, and services, where supported by a business case analysis; for programs in all acquisition categories. If performance specifications are not practicable, the Department shall use non-government standards. The following additional policy shall apply:

- If no acceptable, non-governmental standards exist, or if using performance specifications or non-government standards is not cost effective, not practical, or does not meet the users' needs, over a product's life cycle, the Department may define an exact design solution with military specifications and standards, as last resort, with MDA-approved waiver.

- The CAE, or designee, may grant waivers for ACAT ID programs.

- Waiver authorities may grant class- or item-based waivers for a period not to exceed 2 years.

- Military specifications and standards contained in contracts and product configuration technical data packages for repro curement of items already in inventory shall comply with the following:

- o Be streamlined to remove non-value-added management, process, and oversight specifications and standards.

- o Be replaced by Single Process Initiatives to improve product affordability.

- o When justified as economically beneficial over the remaining product life cycle by a business case analysis, convert to performance-based acquisition and form, fit, function, and interface specifications to support programs in on-going procurement, future repro curement, and post-production support.

- The Director, Naval Nuclear Propulsion, shall determine specifications and standards for naval nuclear propulsion plants, in accordance with *42 USC 7158a* and *EO 12344²²*.

DoDI 4120.24²³ and *DoD 4120.24-M²⁴* contain additional standardization guidance

5.3.9 Packaging Requirements

The PM shall work with the user to define requirements to facilitate the use of commercial/industrial packaging practices and materials. Use of commercial packaging practices is mandatory for all items unless it is shown that commercial packaging practices cannot provide adequate protection and preservation (*DoD 4140.1-R¹, C5.1.1.2*). Contractor discretion in packaging commercially may include *MIL-STD-2073²* provisions. MIL-STD-2073 is to be contractually required only when adequate, cost effective commercial packaging for procured items is not available. Details and decision logic for determining the applicability of MIL-STD-2073 are described in the standard.

¹DoD Regulation 4140.1-R *DoD Materiel Management Regulation*, 11d

²MIL-STD-2073-1 *DoD Standard Practice for Military Packaging*, 11d

DFARS Language Proposed Revisions

I. PROBLEM: *[Succinctly state the problem created by current FAR and/or DFARS coverage and describe the factual and/or legal reasons necessitating the change to the regulation.]*

Acquisition reforms in packaging practices have resulted in changes in policy, regulation and procedure for contract packaging requirements.

II. RECOMMENDATION: *[Identify the FAR and/or DFARS citations to be revised. Attach as TAB A a copy of the text of the existing coverage, conformed to include the proposed additions and deletions. Indicate deleted coverage with dashed lines through the current words being deleted and insert proposed language in brackets at the appropriate locations within the existing coverage. If the proposed deleted portion is extensive, it may be outlined by lines forming a box with diagonal lines drawn connecting the corners.]*

A revision to DFARS 211.272, 252.211-7004 and 253.213-70 is needed to assist contracting officers in preparing solicitations and contracts that are compliant with the packaging policy and regulation changes. Tab A is the proposed DFARS revision.

III. DISCUSSION: *[Include a complete, convincing explanation of why the change is necessary and how the recommended revision will solve the problem. Address advantages and disadvantages of the proposed revision, as well as any cost or administrative impact on Government activities and contractors. Identify any potential impact of the change on automated systems, e.g., automated financial and procurement systems. Provide any other background information that would be helpful in explaining the issue.]*

Acquisition reforms directed at the civil-military integration of the industrial base have resulted in changes in Department policy, regulation and procedure for the packaging of acquired material. The Single Process Initiative has been implemented by selected contractors in a pilot program to demonstrate the effectiveness of commercial packaging practices for military applications. The success of the program has resulted in its recent expansion to include additional contractors. Innovations from the program have prompted a shift

toward commercial packaging practices as the preferred acquisition policy. DoD 4140.1-R DoD Materiel Management Regulation is being changed to reflect the Department policy and procedure. MIL-STD 2073-1 DoD Standard Practice for Military Packaging is being changed to limit its applicability. MIL-STD-2073-2 Packaging Requirements has been cancelled. Decision making with respect to how items should be packaged is streamlined. Commercial packaging practice is the default requirement for all acquisitions. The authority required to package using military packaging practices for items procured under FAR Part 12 is escalated.

IV. COLLATERALS: *[Address the need for public comment (FAR 1.301(b) and Subpart 1.5), the Paperwork Reduction Act, and the Regulatory Flexibility Act (FAR 1.301(c)).]*

Public comment is required. The effect of this change to the acquisition procedures of the Department is both internal and external. There are no requirements prescribed for information collection or record keeping.

V. DEVIATIONS: *[If a recommended revision of DFARS is a FAR deviation, identify the deviation and include under separate TAB a justification for the deviation that addresses the requirements of 201.402(2). The justification should be in the form of a memorandum for the Director of Defense Procurement, Office of the Under Secretary of Defense (Acquisition, Technology, and Logistics).]*

None.

211.272 Alternate preservation, packaging, and packing.

Use the provision at 252.211-7004, Alternate Preservation, Packaging, and Packing, in solicitations which include military preservation, packaging, or packing specifications when it is feasible to evaluate and award using commercial preservation, packaging, or packing.

211.272-1 Definitions.

“Military preservation, packaging, or packing,” as used in this section, is defined as processes and practices for item protection and preservation that have been developed in compliance with DoD Standard Practice for Military Packaging (MIL-STD-2073-1).

“Commercial preservation, packaging, or packing,” as used in this section, is defined as processes and practices for item protection and preservation that have been developed from commercial standards, individual customer requirements or contractor proprietary data and methods. These processes may or may not comply with MIL-STD-2073-1.

211.272-2 Policy.

(a) DoD accepts commercial packaging to ship material unless it is determined that commercial packaging cannot provide adequate protection and preservation.

(b) The criteria for determining adequacy of packaging will include: product type, contractually specified logistics requirements of the ultimate military user including expected storage and handling, and economic considerations based on usage patterns.

(c) Offerors shall be required to submit commercial preservation, packaging, or packing alternates when requirements are specified in MIL-STD-2073-1 terms. Use the provision at 252.211-7004.

(d) In the absence of specific contract requirements, commercial packaging shall provide protection and preservation for the safe delivery of the item to the shipping destination and for storage at destination for a minimum of one year in enclosed facilities. Extraordinary preservation requirements shall be contractually specified, in advance of each contract award. Safe delivery shall be deemed to mean no damage to the contents of the package. Damage to the packaging is permissible provided that the integrity of the package remains sufficient to permit reasonable handling and storage at destination.

(e) Commercial packaging practices will always apply to items procured under FAR Part 12 practices.

211.272-3 Procedures.

Contracting officers shall ensure that, prior to award or each order:

- (a) Solicitations and evaluations comply with the policy provisions above.
- (b) Any determination that commercial preservation, packaging, or packing is not acceptable for a specific procurement shall be made prior to contract or order award at the Head of the Contracting Activity. This authority may not be delegated.

211.272-4 Contract clause.

Use the clause at 252.211-7004, Alternate Preservation, Packaging, and Packing, when preservation, packaging, or packing requirements are specified in MIL-STD-2073-1 terms.

252.211-7004 Alternate Preservation, Packaging, and Packing.

As prescribed in 211.272, use the following provision:

ALTERNATE PRESERVATION, PACKAGING, AND PACKING (DATE 2001)

(a) The Offeror shall be required to submit two unit prices for each item when MIL-STD-2073 provisions are required - one based on use of the military preservation, packaging, or packing requirements of the solicitation; and an alternate based on use of commercial preservation, packaging, or packing of equal or better protection than the military.

(b) The following information, as a minimum, shall be submitted with the offer to allow evaluation of the alternate---

- (1) The per unit/item cost of commercial preservation, packaging, and packing;
- (2) The per unit/item cost of military preservation, packaging, and packing;
- (3) The description of commercial preservation, packaging, and packing procedures, including material specifications, when applicable, to include
 - (i) Method of preservation;
 - (ii) Quantity per unit package;
 - (iii) Cleaning/drying treatment;
 - (iv) Preservation treatment;
 - (v) Wrapping materials;
 - (vi) Cushioning/dunnage material;
 - (vii) Thickness of cushioning;
 - (viii) Unit container;
 - (ix) Unit package gross weight and dimensions;
 - (x) Packing; and
 - (xi) Packing gross weight and dimensions; and
- (4) Item characteristics, to include--
 - (i) Material and finish;
 - (ii) Net weight;
 - (iii) Net dimensions; and

(iv) Fragility.

(c) If the Contracting Officer does not accept the Offeror's proposed alternate commercial preservation, packaging, or packing, the Offeror agrees to preserve, package, or pack in accordance with the specified military requirements.

(d) If the Contracting Officer accepts the Offeror's proposed alternate commercial preservation, packaging, or packing, the Offeror agrees to applicability of FAR Subpart 19.4 Unique Requirements Regarding Terms and Conditions for Commercial Items.

(End of provision)

253.213-70 Instructions for completion of DD Form 1155.

- (a) These instructions are mandatory if:
 - (1) Contract administration has been assigned outside the purchasing office; or
 - (2) The contractor is located in the continental United States or Canada.
- (b) The entity codes (address codes) referenced in this subsection are codes published in:
 - (1) *DoD Activity Address Directory (DODAAD)*, DoD 4000.25-6-M.
 - (2) *Military Assistance Program Address Directory System (MAPADS)*, DoD 4000 25-8-M.
 - (3) *Commercial and Government Entity (CAGE) Codes Handbook H4/H8*.
- (c) For orders requiring payment in Canadian currency--
 - (1) State the contract price in terms of Canadian dollars, followed by the initials CN; e.g., \$1,647.23CN.
 - (2) Indicate on the face of the order--
 - (i) The U.S./Canadian conversion rate in effect at the time of the award; and
 - (ii) The U.S. dollar equivalent of the Canadian dollar amount.
- (d) When the DD Form 1155 includes FMS requirements, clearly mark FMS requirement on its face. Specify within the order each FMS case identifier code by line or subline item number.
- (e) Instructions for DD Form 1155 entries. (Instructions apply to purchase orders, delivery orders, and calls, except Block 2, which applies only to delivery orders and calls, and Block 12, which applies only to purchase orders.)

BLOCK

1 *CONTRACT/PURCH ORDER/AGREEMENT NO.*--Enter the Procurement Instrument Identification (PII) number and, when applicable, the supplementary identification number for contracts, purchase orders, and agreements as prescribed in Subpart 204.70.

2 *DELIVERY ORDER/CALL NO.*--Enter the PII number for delivery orders/calls, when applicable as prescribed in Subpart 204.70.

3 *DATE OF ORDER/CALL* -Enter the four position numeric year, three position alpha month, and two position numeric day.

4 *REQUISITION/PURCH REQUEST NO.* Enter the number authorizing the purchase. When the number differs by line item, list it in the schedule and annotate this block, "see schedule."

5 *PRIORITY* -Enter the appropriate Program Identification Code as identified in Schedule 1 to the Defense Priorities and Allocations System Regulation.

6 *ISSUED BY*--Enter the name and address of the issuing office. In the code block, enter the DODAAD code for the issuing office. Directly below the address, enter: Buyer/Symbol: followed by the buyer's name and routing symbol. Directly below the buyer/symbol, enter: Phone: followed by the buyer's phone number and extension.

7 *ADMINISTERED BY*--Enter the name and address of the contract administration activity. On purchase orders retained by purchasing offices for administration, mark this block, "see block 6." Enter in the code block the DODAAD code of the contract administration activity. In the lower right or left-hand corner, enter the criticality designator code from FAR 42.1105.

8 *DELIVERY FOB* -Check the applicable box.

9 *CONTRACTOR*--

(i) Enter the full business name and address of the contractor. Enter in the first code block, the CAGE code of the contractor.

(ii) If it is known that all the work covered by the order is to be performed at an address different from the address represented by the contractor's code, and any contract administration function will be required at that facility, enter in the facility code block the organizational entity code for that facility, i.e., H8-1/H8-2 code for a non-Government entity or DODAAD code for a Government entity. (Use DODAAD codes only to indicate "performed at" locations for orders specifying services at a Government location.) If it is known that multiple facilities are involved, enter the codes for all facilities at which work is to be performed, including the contractor's code if work is performed at that address, in the Optional Form 336

Continuation Sheet and mark the facility code block with "see schedule."

10 *DELIVER TO FOB POINT BY (Date)* --If a single date of delivery applies to the entire order, enter date in this block. List multiple delivery dates in the schedule and mark this block "see schedule."

11 *MARK IF BUSINESS*--Check all applicable blocks.

12 *DISCOUNT TERMS*--Enter the discount for prompt payment in terms of percentages and corresponding days. Express the percentages in whole numbers and decimals, e.g., 3.25% - 10 days; 0.50% - 20 days.

13 *MAIL INVOICES TO THE ADDRESS IN BLOCK* Enter a reference to the block number containing the address to which invoices are to be mailed. When not in Block 6, 7, 14, or 15, insert in Block 13, "see schedule."

14 *SHIP TO*--If a single ship to point applies to the entire order, enter the name and address of that point in this block and a DODAAD code in the code block. For FMS shipments, enter the MAPAD code in the code block and an instruction for the contractor to contact the transportation office of the administering activity to obtain a name and a shipping address. Enter multiple ship-to points in the schedule and mark this block, "See Schedule."

15 *PAYMENT WILL BE MADE BY*--Enter the name and address of the activity making payment. Enter in the code block, the DODAAD code of the paying activity.

16 *TYPE OF ORDER*---Check the appropriate box. If a purchase order:

(i) Identify the type of quotation, i.e., oral, letter or TWX, on which the order is based.

(ii) Check the box when acceptance of the purchase order is required and enter the number of copies of the order to be returned to the issuing office.

17 *ACCOUNTING AND APPROPRIATION DATA/LOCAL USE*--Enter the accounting classification and the accounting classification reference number(s) in accordance with 204.6107.

18 *ITEM NO.*--Enter an item number for each item of supply or service in accordance with Subpart 204.71.

19 *SCHEDULE OF SUPPLIES/SERVICES*--The schedule contains several elements of data. The order and arrangement of data

in the schedule is mandatory for purchase and delivery orders assigned to the Defense Contract Management Agency or the military departments for administration and is encouraged for all orders.

(1) National Stock Number (NSN) --Total item quantity for the line or subline item number followed by the appropriate national stock number or the word "none" if an NSN has not been assigned. On the same line and adjacent to NSN, enter the words "Total Item Quantity." This phrase is used in conjunction with the total quantity, unit of issue, unit price, and dollar amount of the stock number or item cited (see entries for Blocks 20, 21, 22, and 23).

(2) Item Identification--Enter first the most descriptive noun or verb of the supplies or services to be furnished, supplemented by additional description as prescribed in FAR Part 10. If multiple accounting classifications apply to the contract, enter the accounting classification reference number.

(3) Quantity Variance --Enter the quantity variance permitted for the line item in terms of percentages, indicating whether the percentage is plus or minus and if applicable to each destination.

(4) Inspection/Acceptance--Enter the point at which inspection/acceptance will take place.

(5) Preservation and Packaging-- Enter the preservation requirements for the item described. These requirements may be expressed in terms of specified performance parameters, commercial practices, or, if applicable, MIL-STD 2073-1, DoD Standard Practice for Military Packaging codes. They may also be expressed by reference to applicable performance specifications.

(6) Packing--When required, enter the packing level designator and specification, standard, or document in which the requirements are stated or state the specific requirements.

(7) Unitization--When desired by the requiring activity, a requirement for cargo unitization for a particular destination should be specified for shipments involving two or more shipping containers having an aggregate total of not less than 20 cubic feet or 200 pounds.

(8) Ship To--Enter the DODAAD or MILSCAP H8-1/H8-2 (cage) as appropriate for the entity code of the ship-to point on the first line and the corresponding name and address on succeeding lines. If multiple accounting classifications apply to the same line or subline item, enter the accounting classification reference number. When several items are to be shipped to the same point, the code will be listed; but it will not be necessary to repeat the address.

(9) Delivery Date--When multiple delivery dates apply, enter the required date of delivery on the same line with ship to code.

(10) Mark For--Enter the DODAAD or MILSCAP H8-1/H8-2 (cage) as appropriate for the entity code on the first line and name and address of the ultimate recipient of the supplies and services on succeeding lines.

20 QUANTITY ORDERED/ACCEPTED Enter the total quantity ordered for the line item. If applicable, enter the breakdown on quantities for each ship to point within the line item.

21 UNIT--Enter the unit of measure applicable to the line item.

22 UNIT PRICE--Enter the unit price applicable to the line item.

23 AMOUNT--Enter the extended dollar amount (quantity x unit price) for each line item.

24 CONTRACTING/ORDERING OFFICER--Enter the contracting/ordering officer's signature.

25 TOTAL AMOUNT--Enter the total dollar amount for all line items on the order.

26 thru 42 These blocks are used in the receiving and payment functions. Procedures for making entries are prescribed by the respective departments.

**Department of Defense
Facilities and Locations Significantly Supporting Packaging Requirements
Development, Training and Certification**

ARMY

- * **US Army Packaging Division (ARDEC)**
- * **Defense Ammunition Logistics Activity (ARDEC)**
- * **School of Military Packaging Technology**
- * U.S. Army Logistics Management College

NAVY

- * **Naval Warfare Centers**
- * **Naval Packaging, Handling, Storage and Transportation Center (NWC Earle)**
- * Naval Supply Systems Command
- * Naval Sea Systems Command
- * Naval Air Systems Command
- * Naval Inventory Control Point (Mechanicsburg, Philadelphia)
- * Fleet Supply Centers
- * Navy Packaging Data/ Naval Logistics Library (NNL Web)

AIR FORCE

- * **AF Packaging Technology and Engineering Facility**
- * **Packaging and Transportation Group (Eglin AFB)**
- * Air Logistic Centers

DEFENSE AGENCIES

- * **Defense Contract Management Agency**
- * Defense Supply Center Richmond
- * Defense Supply Center Columbus
- * Defense Supply Center Philadelphia

Note: Bolded sub-items are facilities that will be most impacted by Packaging revisions.